Disinvestment of FACT

251. SHRI K. CHANDRAN PILLAI: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have taken a decision to disinvest its shares in the Fertilizers and Chemicals Travancore Ltd. (FACT) in Kerala;

(b) if so, the details thereof;

(c) whether Government have received proposals for converting FACT into a joint venture unit of the State Government with cooperative sector;

(d) if so, the details thereof;

(e) whether the Government of Kerala has submitted any proposal in this regard; and

(f) if so, the details thereof and stand taken by Government thereto?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) The Government has decided to disinvest 51% of its equity held in The Fertilisers & Chemicals Travancore Limited (FACT) through strategic sale, and to offer up to 2% of the shares of FACT out of its balance shareholding to the employees of FACT at 1/3rd of prevailing market price or strategic sale value, whichever is less, subject to a minimum of the par value.

(c) to (e) The Government of India (GoI) has not received any concrete proposal from the Government of Kerala (GoK) for converting FACT into a joint venture unit of the State Government with cooperative sector. Letters containing mere expressions of a general intent for sustaining FACT in the cooperative sector have been received from GoK.

(f) Does not arise in view of reply to (c) to (e) above.

Disinvestment of Government establishments

252. SHRI MATILAL SARKAR: Will the Minister of DISINVESTMENT be pleased to state:

(a) the number of Government establishments which have been put to disinvestment during the last five years and how many were gaining concerns; and

(b) the number of persons in office in these establishments have lost jobs or have accepted VRS since introduction of Disinvestment policy in the country?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) During the last five years, Government has disinvested its equity through Strategic Sale alongwith the transfer of management control in 12 Public Sector Undertakings (PSUs), 19 hotel properties of ITDC and through slump sale 3 hotel properties of Hotel Corporation of India Ltd. At the time of disinvestment, out of these 34 cases, 9 were of profitable concerns.

(b) As informed to this Ministry by 9 disinvested PSUs, 15 disinvested hotels of ITDC and 2 hotels of Hotel Corporation of India, against an initial strength of 44,238 employees at the time of disinvestment, 8458 employees availed of VRS 918 employees retired and another 1060 employees left for other reasons. As against a total of 10,436 separations, 1478 new employees have been recruited, giving a net reduction of 8958 employees or around 20% of the employees at the time of disinvestment.

Disinvestment of BALCO, VSNL, IPCL, and Centaur Hotel

253. DR. MANMOHAN SINGH: Will the Minister of DISINVESTMENT be pleased to state:

(a) in the context of disinvestment/privatisation of BALCO, VSNL, IPCL and Centaur Hotel, the valuation of each of above mentioned enterprises as a going concern and valuation of unused land and other assets; and

(b) the term and conditions of shareholder's agreements with the successful bidders in each of the above mentioned enterprises?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Valuation of the PSUs being disinvested is done by professional Advisors who submit valuation estimates using four internationally recognised methodologies (Discounted Cash Flow Method (DCF), Balance Sheet Method, Transaction Multiple Method and the Asset Valuation Method) and their recommended value based on these estimates to a specially constituted Inter-Ministerial Evaluation Committee. The Committee, based on the report of the Advisors,